

MEDA INC. BERHAD
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012 (unaudited)

	30/09/2012 (Unaudited) RM'000	31/12/2011 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	23,563	23,032
Investments in associates	2,496	2,579
Investment properties	108,803	111,770
Land held for property development	19,935	19,935
Goodwill on consolidation	5,977	5,977
	160,774	163,293
Current assets		
Property development costs	69,022	66,143
Inventories	9,019	8,846
Amount due from customers for contract works	-	3
Trade receivables	52,026	37,925
Other receivables, deposits and prepayments	29,063	26,978
Amount due from an associate	489	-
Tax recoverable	113	111
Deposits placed with licensed banks	125	121
Cash and bank balances	2,600	7,112
	162,457	147,239
Assets classified as held for sale	19,840	18,000
TOTAL ASSETS	343,071	328,532
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parents		
Share capital	228,425	223,470
Share premium	8,020	6,325
Treasury shares	(1,026)	(366)
Warrants reserve	11,993	13,688
Revaluation reserve	6,083	6,170
Accumulated losses	(73,344)	(82,394)
Total equity	180,151	166,893
Non-current liabilities		
Borrowings (interest bearing)	7,096	13,461
Deferred tax liabilities	13,558	13,459
	20,654	26,920
Current liabilities		
Trade payables	54,188	18,713
Other payables, accruals and deposits	40,091	48,920
Borrowings (interest bearing)	24,968	46,529
Tax payables	23,019	20,557
	142,266	134,719
Total liabilities	162,920	161,639
TOTAL EQUITY AND LIABILITIES	343,071	328,532
Net assets per share attributable to owners of the Company (in RM)	0.39	0.37

The unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for the year ended 31 December 2011.

MEDA INC. BERHAD
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012 (unaudited)

	Quarter ended		Cumulative quarter ended	
	30/09/2012	30/09/2011	30/09/2012	30/09/2011
	RM'000	RM'000	RM'000	RM'000
CONTINUING OPERATIONS				
Revenue	47,978	15,393	108,919	42,319
Cost of sales	(30,348)	(9,704)	(69,552)	(23,845)
Gross profit	17,630	5,689	39,367	18,474
Other income	440	4,793	1,640	6,404
Selling and distribution expenses	(1,505)	(167)	(6,550)	(465)
Administrative expenses	(8,037)	(5,567)	(20,196)	(16,868)
Operating profit / (loss)	8,528	4,748	14,261	7,545
Finance cost	(704)	(474)	(2,143)	(2,441)
Share of results of associates	(30)	(31)	(83)	(90)
Profit / (loss) before taxation	7,794	4,243	12,035	5,014
Taxation	(2,064)	(18)	(3,072)	(23)
Net profit / (loss) for the period from continuing operation	5,730	4,225	8,963	4,991
Discontinued operation				
Net profit / (loss) for the period from discontinued operation	-	-	-	-
Net profit / (loss) for the period	5,730	4,225	8,963	4,991
Other comprehensive income				
Amortisation of revaluation reserve	29	-	87	-
Total comprehensive income for the period	5,759	4,225	9,050	4,991
Attributable to:				
Equity holders of the parent company	5,759	4,225	9,050	4,991
Minority interest	-	-	-	-
	5,759	4,225	9,050	4,991
Earnings per share (EPS) attributable to equity holders of the parent company (Sen):				
Basic EPS per ordinary share	1.28	0.99	1.97	1.17
Fully Diluted EPS / (LPS) per ordinary shares	1.27	0.99	1.84	1.17

The unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for the year ended 31 December 2011.

MEDA INC. BERHAD
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012 (unaudited)

Attributable to Equity Holders of the Company

	Share Capital RM'000	Share Premium RM'000	Warrant Reserve RM'000	Treasury Shares RM'000	Revaluation Reserve RM'000	Accumulated Losses RM'000	Total Equity RM'000
Balance as at 1 January 2011	213,470	20,013	-	-	41,027	(124,087)	150,423
Private placement with free warrants and issuance of Meda Inc. shares	10,000	-	-	-	-	-	10,000
Total comprehensive income	-	-	-	-	-	4,991	4,991
Balance as at 30 September 2011	223,470	20,013	-	-	41,027	(119,096)	165,414
Balance as at 1 January 2012	223,470	6,325	13,688	(366)	6,170	(82,394)	166,893
Exercise of warrants	4,955	1,695	(1,695)	-	-	-	4,955
Arising from shares buy back	-	-	-	(660)	-	-	(660)
Amortisation of revaluation reserve	-	-	-	-	(87)	-	(87)
Total comprehensive income	-	-	-	-	-	9,050	9,050
Balance as at 30 September 2012	228,425	8,020	11,993	(1,026)	6,083	(73,344)	180,151

The unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for the year ended 31 December 2011.

MEDA INC. BERHAD
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012 (unaudited)

	Cumulative quarter ended	
	30 September	
	2012	2011
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit/(loss) before taxation :		
- continuing operations	12,035	5,014
- discontinued operations	-	-
Adjustments for:		
Depreciation :		
- continuing operations	945	879
Write-off of :		
- receivables	135	-
(Gain)/loss on disposal of :		
- investment properties	(133)	-
- investment in a subsidiary	-	18,563
Interest expense :		
- continuing operations	2,143	2,427
Interest income :		
- continuing operations	(48)	(5)
Share of loss in an associate	83	90
Property development cost written back	-	(38,220)
Operating cash flows before working capital changes	15,160	(11,252)
Changes in working capital:		
Property development costs	(2,884)	2,830
Balances with customers for contract works	3	(2,710)
Receivables	(16,809)	16,922
Inventories	(173)	439
Payables	26,832	1,363
Asset held for disposal	-	(18,000)
	22,129	(10,408)
Interest received		
- continuing operations	48	5
Tax paid		
- continuing operations	(702)	(364)
Net Operating Cash Flows	21,475	(10,767)

The unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for the year ended 31 December 2011.

MEDA INC. BERHAD
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012 (unaudited) – cont'd

	Cumulative quarter ended	
	30 September	
	2012	2011
	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(1,470)	(276)
Purchase of investment properties	(240)	
Development expenditure incurred on land held for property development	-	23,903
Proceeds from disposal of:	-	-
- investment properties	1,500	-
Net cash (outflow)/inflow on disposal of:		
- investment in a subsidiary	-	(1,141)
Net Investing Cash Flows	(210)	22,486
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment to:		
- bank loans	(27,810)	(13,816)
- hire purchase liabilities	(150)	(229)
Issuance of new authorised shares	4,955	10,000
Purchase of treasury shares	(660)	
Interest paid :		
- continuing operations	(2,108)	(1,999)
Net Financing Cash Flows	(25,773)	(6,044)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(4,508)	5,675
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	(7,767)	(11,938)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	(12,275)	(6,263)
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash and bank balances	2,600	8,543
Deposits placed with licensed banks	125	194
Bank overdrafts - secured	(15,000)	(15,000)
	(12,275)	(6,263)

The unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for the year ended 31 December 2011.

MEDA INC. BERHAD
PART A - EXPLANATORY NOTES PURSUANT TO FRS 134
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirement of FRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standard Board ("MASB") and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB").

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2011. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2011.

On 19 November 2011, MASB issued on a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework"). The MFRS framework is to be applied by all Entities Other Than Private Entities for annual period beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venture (herein called "Transitioning Entities"). Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for two years and adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

The Group falls within the scope definition of Transitioning Entities and has opted to defer adoption of the new MFRS Framework. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amount reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits. The Group is currently reviewing its accounting policies to assess financial effects of the differences between the current FRSs and accounting standards under the MFRS Framework.

2. Significant Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in the interim financial statements are consistent with those adopted in the annual audited financial statements for the financial year ended 31 December 2011. At the date of authorization of issue of this interim financial statement, the following Revised Financial Reporting Standards ("FRSs") Amendments/Improvements to FRS, IC Int and Amendments to IC Int that are issued, but not yet effective and had not been adopted early:

<u>New FRS</u>		Effective for financial periods beginning on or after
FRS 9	Financial Instruments	1 January 2015
FRS 10	Consolidated Financial Statements	1 January 2013
FRS 11	Joint Arrangements	1 January 2013
FRS 12	Disclosures of Interests in Other Entities	1 January 2013
FRS 13	Fair Value Measurement	1 January 2013

MEDA INC. BERHAD
PART A - EXPLANATORY NOTES PURSUANT TO FRS 134
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012

2. Significant Accounting Policies (Cont'd)

**Effective for
financial periods
beginning on or
after**

Revised FRS

FRS 119	Employee Benefits	1 January 2013
FRS 124	Related Party Disclosures	1 January 2012
FRS 127	Separate Financial Statements	1 January 2013
FRS 128	Investments in Associates and Joint Ventures	1 January 2013

Amendments/Improvements to FRS

FRS 1	First-time Adoption of Financial Reporting Standards	1 January 2012
FRS 7	Financial Instruments: Disclosures	1 January 2012 and 1 January 2013
FRS 101	Presentation of Financial Statements	1 July 2012
FRS 112	Income Taxes	1 January 2012
FRS 132	Financial Instruments: Presentation	1 January 2014

New IC Int

IC Int 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
IC Int 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

Amendments to IC Int

IC Int 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 July 2011
IC Int 15	Agreements for the Construction of Real Estate	30 August 2010

2. Significant Accounting Policies (Cont'd)

The application of the above revised FRSs, amendments/improvements to FRSs, IC Int and amendments to IC Int did not have any material impact on the results and the financial position of the Group, except for those discussed below:-

FRS 10 Consolidated Financial Statements and FRS 127 Consolidated and Separate Financial Statements (Revised)

FRS 10 replaces the consolidation part of the former FRS 127 Consolidated and Separate Financial Statements. The revised FRS127 will deal only with accounting for investment in subsidiaries, joint ventures and associates in the separate financial statements of an investor and require the entity to account for such investments either at cost, or in accordance with FRS 9.

FRS 10 brings about convergence between FRS 127 and SIC-12, which interprets the requirements of FRS 10 in relation to special purpose entities. FRS 10 introduces a new single control model to identify a parent-subsidiary relationship by specifying that “an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee’. It provides guidance on situations when control is difficult to assess such as those involving potential voting rights, or in circumstances involving agency relationships, or where the investor has control over specific assets of the entity, or where the investee entity is designed in such a manner where voting rights are not the dominant factor in determining control.

IC Interpretation 15 Agreements for the Construction of Real Estate

IC Int 15 establishes the developer will have to evaluate whether control and significant risks and rewards of the ownership of work in progress, can be transferred to the buyer as construction progresses before revenue can be recognised.

Currently, the Group adopts the percentage of completion method in revenue recognition. The deliberations on the implementation of IC Interpretation 15 are currently ongoing. Pending the conclusion of the deliberations, the Group is not in a position to disclose the effect of the adoption of IC Interpretation 15 on its financial statements.

3. Auditors’ Report on Preceding Annual Financial Statements

The Auditors’ Report on the preceding financial statements for the financial year ended 31 December 2011 was not qualified.

4. Seasonal or Cyclical Factors

The business operations of the Group during the financial period under review have not been materially affected by any significant seasonal or cyclical factors.

5. Unusual Items affecting Assets, Liabilities, Equity, Net Income or Cash Flow

There were no unusual items materially affecting the assets, liabilities, equity, net income or cash flow of the Group during the interim financial period.

6. Material Changes In Estimates

There were no material changes in estimates that have had any material effect results of the financial period under review.

MEDA INC. BERHAD
PART A - EXPLANATORY NOTES PURSUANT TO FRS 134
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012 – cont'd

7. Issuances and Repayment of Debt and Equity

There was no issuance, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter under review ended 30 September 2012, except for the following:

a) Share capital

9.909 million ordinary shares of RM0.50 each were issued pursuant to conversion of 9.909 million Warrants 2011/2021 of RM0.50 nominal value each and 250 Warrants 2012/2022 of RM0.60 nominal value each.

b) Treasury shares

954,900 ordinary shares of RM0.50 each were bought back and held as treasury shares with none of these shares being cancelled or sold during the quarter period ended 30 September 2012.

The details of the shares buy back are as follows:

Date	Number of shares	Average price per share (RM)	Total consideration (RM)	Shares balance
Opening 1.1.2012	763,200		365,821	763,200
26/04/2012	5,000	0.79	3,925	768,200
05/06/2012	89,900	0.67	60,026	858,100
06/06/2012	60,000	0.66	39,600	918,100
07/06/2012	60,000	0.65	38,700	978,100
06/07/2012	429,000	0.71	305,846	1,407,100
03/09/2012	10,000	0.69	6,950	1,417,100
06/09/2012	155,000	0.68	105,100	1,572,100
07/09/2012	146,000	0.69	100,446	1,718,100
Closing 30.09.2012	1,718,100		1,026,415	1,718,100

8. Dividend Paid

There were no dividends paid during the interim financial period.

MEDA INC. BERHAD
PART A - EXPLANATORY NOTES PURSUANT TO FRS 134
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012 – cont'd

9. Segment Reporting

Segmental information for the interim financial period is presented in respect of the Group's business segment.

	Cumulative quarter ended 30 September			
	2012		2011	
	Profit/(Loss)		Profit/(Loss)	
	Revenue	Before Tax	Revenue	Before Tax
	RM'000	RM'000	RM'000	RM'000
Property development	83,994	17,897	13,366	2,492
Property investment	1,862	(490)	4,573	2,428
Hotel operations	21,531	100	22,243	1,127
Others	1,532	(179)	2,137	719
	108,919	17,328	42,319	6,766
Unallocated corporate expenses		(3,200)		(2,747)
Net gain on disposal of subsidiaries				4,372
Share of associated company loss		(83)		(90)
Gain on disposal of investment properties		133		
Allowance for short fall in GRR				(846)
Finance cost		(2,143)		(2,441)
	108,919	12,035	42,319	5,014

Property Development

Revenue as at end of September has increased by RM39.9 million to RM83.9 million compared to RM44.0 million reported in preceding quarter and profit before tax has improved by 144% or RM10.5 million. The increase mainly due to the progress billing generated from current on-going project The Arc in Cyberjaya. During the quarter under review, the project has achieved 97% of sales. The profit before tax increased by RM15.4 million compared to corresponding period last financial year, which recorded RM2.4 million.

Property Investment

Property investment revenue has increased by 48% or RM0.6 million to RM1.8 million compared to preceding quarter revenue recorded at RM1.2 million. However, comparing the profit before tax in the preceding quarter, this segment is remained unprofitable with RM0.4 million loss compared to RM0.3 loss in preceding quarter and RM2.4 million profit in corresponding period last financial year. The loss compared to corresponding period last financial year mainly due to loss of anchor tenant towards end of financial year 2011. Currently, the Group has secured a new anchor tenant.

Hotel Operations

Hotel operations has improved by revenue and profit in current quarter compared to preceding quarter. During the current quarter under review, the hospitality segment generated RM21.5 million revenue to the Group, an increase of 48% compared to second quarter, which recorded revenue of RM14.5 million.

9. Segment Reporting (cont'd)

Others

Revenue generated from this segment mainly coming from oil palm plantation. This segment contributed marginal loss to the Group with revenue RM1.5 million and RM0.1 million of loss. The result has declined compared to preceding quarter which revenue and profit before tax recorded at RM1.1 million and RM0.2 million respectively.

10. Valuation of Property, Plant and Equipment

The valuation of land and buildings has been brought forward, without amendment from the financial statements as at 31 December 2011.

11. Subsequent Material Events

There were no material events subsequent to the end of the current reporting quarter other than as disclosed under Note 12 of Part B to this current reporting quarter under the heading of Changes in Material Litigation.

12. Changes in the Composition of the Group

There were no material changes in the composition of the Group for the current reporting quarter.

13. Changes in Contingent Liabilities and Contingent Assets

There were no changes in the contingent liability and contingent assets since the last annual balance sheet date as at 31 December 2011 as follows:

<u>Contingent Liability</u>	As at 30 September 2012 RM '000	As at 31 December 2011 RM '000
Guarantees given to financial institutions for credit facilities granted to an associate	18,000	18,000

1. Review of Performance

For the current quarter under review, the Group recorded a profit before tax of RM7.79 million and total revenue of RM47.97 million as compared to profit before tax of RM4.24 million and total revenue of RM15.39 million for the same quarter of preceding year. The improvement of revenue and profit before tax compared to the same quarter of preceding year was mainly due to improved performance from property development division contributed by The Arc@Cyberjaya project.

2. Variation of Results against Immediate Preceding Quarter (Quarter 3, 2012 vs. Quarter 2, 2012)

The Group has recorded a profit before tax of RM7.79 million in the current quarter compared to a profit before tax of RM3.53 million in the immediate preceding quarter. The profit recorded in the current quarter higher compared to the immediate preceding quarter mainly due to the profit recognized based on percentage of completion method from the development project The Arc@Cyberjaya has experienced 10% increment as opposed to second quarter recognition.

3. Prospects

The year 2012 will remain challenging for the Group. The Group is confident that it will maintain the current level of performance in the various business segments.

4. Profit Forecast

Not applicable as no profit forecast was published.

5. Operating Profit

	Cumulative quarter ended	
	30-Sep	
	2012	2011
	RM'000	RM'000
Interest income	48	5
Depreciation	(945)	(879)
Write-off of receivables	(135)	-
Gain/(loss) on disposal of		
- properties	133	-
- investment in a subsidiary	-	18,563
Property development cost written back		38,220
		<u>38,220</u>

6. Taxation

	Quarter ended		Cumulative quarter ended	
	30/09/2012	30/09/2011	30/09/2012	30/09/2011
	RM '000	RM '000	RM '000	RM '000
Current quarter/period:				
- Income tax	1,827	-	2,835	-
- Deferred tax	237	-	237	-
	2,064	-	3,072	-
(Under)/Over accrual of tax in prior year:				
- Income tax	-	-	-	-
- Deferred tax	-	-	-	-
	2,064	-	3,072	-

Included in the Trade and Other Payable of the attached Condensed Consolidated Statements of Financial Position is an amount of RM4.03 million representing the outstanding tax penalties. As of the date of submission of this report, negotiation for a settlement plan with the tax authority is still ongoing.

7. Status of Corporate Proposal

There was no corporate proposal announced but not completed as at 21 November 2012, being a date not earlier than 7 days from the date of issue of the quarterly report.

8. Sale of Unquoted Investments and/or Properties

There was no disposal of unquoted investment and properties outside the ordinary course of the Group's business during the current quarter and the interim financial period, except for sale of a retail lot in The Summit, Bukit Mertajam, for a total disposal price of RM1.5 million to Lotus Five Star Properties Sdn. Bhd and acquisition of a shop lot in The Summit, Bukit Mertajam for purchase consideration of RM240,000.

9. Purchase or Disposal of Quoted Securities

There was no purchase or disposal of quoted securities for the current quarter and for the interim financial period.

10. Group Borrowings and Debt Securities

The Group borrowings as at 30 September 2012 were as follows:

	RM '000
Short Term – Secured	24,968
Long Term – Secured	7,096
	<u>32,064</u>

None of the Group borrowings is denominated in foreign currency.

11. Off Balance Sheet Financial Instruments

During the financial period under review, the Group did not enter into any contracts involving off balance sheet financial instruments.

12. Changes in Material Litigation

i. Lembaga Hasil Dalam Negeri ("LHDN") vs. ZKP Development Sdn. Bhd. ("ZKP")

Writs of Summons were filed by LHDN against ZKP to claim a total sum of RM9,603,548/- in respect of outstanding tax assessments and tax penalties for the Years of Assessment from 1998 to 2001 on 2 November 2006. ZKP filed an application to strike out the writs and statement of claim at a hearing on 17 May 2010.

Subsequent to ZKP filing its Statement of Defence for two other matters amounting to RM391,733/- on 14 February 2007, LHDN applied for a Summary Judgement. One of which was brought up for hearing on 9 June 2010 whilst on the other matter, ZKP requested to strike out the writs and summons.

The High Court granted a summary judgment against ZKP on 21 October 2010 and ZKP filed in the Notice of Appeal to the Court of Appeal against the High Court's decision. The Court of Appeal fixed 4 May 2012 for hearing of ZKP's appeal. The Court of Appeal allowed our appeal with cost and the matter has since been reverted to Shah Alam High Court to fix the date for case management.

ii. Lembaga Hasil Dalam Negeri ("LHDN") vs. Sri Lingga Sdn. Bhd. ("SL")

Writs of Summons were initiated by LHDN against SL to claim the sum of RM7,281,718/- in respect of outstanding tax assessments and tax penalties for Years of Assessment 2002 and 2003.

SL appointed its solicitors to defend the claim and the said solicitors entered appearances and filed Statements of Defence on behalf of SL.

LHDN filed summary judgment against SL on 10 December 2010 and SL was in the process of filing a Notice of Appeal to the Court of Appeal against the High Court's decision.

The High Court granted summary judgment against SL on 4 April 2011 and SL filed in the Notice of Appeal to the Court of Appeal against the High Court's decision. The Court fixed 14 May 2012 for decision of the above matter. On 27 July 2012, the Court of Appeal allowed the Plaintiff's Summary Judgment application and dismissed SL appeal.

iii. Lembaga Hasil Dalam Negeri ("LHDN") vs. Cemerlang Land Sdn. Bhd. ("CL")

A Writ of Summons was filed by LHDN against CL to claim the sum of RM3,591,236/- in respect of outstanding tax assessments and tax penalties for the Year of Assessment 2002 and 2003.

The High Court granted summary judgment against CL on 29 November 2011 and CL filed in the Notice of Appeal to the Court of Appeal against the High Court's decision and waiting for the Court of Appeal to fix hearing date.

13. Dividend

No dividend has been recommended or declared for the current quarter and for the interim financial period under review.

14. Earnings/(Loss) Per Share

The basic and diluted earnings/(loss) per share have been calculated based on the consolidated net profit / (loss) attributable to equity holders of the parent for the interim for financial period and the weighted average number of ordinary shares outstanding during the period as follows:

i. Basic earnings/(loss) per share

	Quarter ended		Cumulative quarter ended	
	30/09/2012 RM '000	30/09/2011 RM '000	30/09/2012 RM '000	30/09/2011 RM '000
Profit attributable to equity holders of the Parent Company	5,730	4,225	8,963	4,991
Weighted average number of ordinary shares (000's)				
Issued ordinary shares at beginning of period	446,940	426,940	446,940	426,940
Effect of shares issued during the period	1,174	-	6,883	-
Weighted average number of ordinary shares (000's)	448,114	426,940	453,823	426,940
Basic earnings/(loss) per share (sen)	1.28	0.99	1.97	1.17

14. Earnings/(Loss) Per Share (Cont'd)

ii. Diluted earnings/(loss) per share

	Quarter ended		Cumulative quarter ended	
	30/09/2012	30/09/2011	30/09/2012	30/09/2011
	RM '000	RM '000	RM '000	RM '000
Profit attributable to equity holders of the Parent Company	<u>5,730</u>	<u>4,225</u>	<u>8,963</u>	<u>4,991</u>
Weighted average number of ordinary shares (000's)				
Issued ordinary shares at beginning of period	446,940	426,940	446,940	426,940
Effect of shares issued during the period	1,174	-	6,883	-
Weighted average number of ordinary shares (000's)	<u>448,114</u>	<u>426,940</u>	<u>453,823</u>	<u>426,940</u>
Effect on dilution of share warrants ('000)	3,149	-	34,184	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	<u>451,263</u>	<u>426,940</u>	<u>488,007</u>	<u>426,940</u>
Diluted earnings/(loss) per share (sen)	<u>1.27</u>	<u>0.99</u>	<u>1.84</u>	<u>1.17</u>

15. Disclosure of realised and unrealised profits/(losses)

The amounts of realized and unrealized profits or losses included in the retained profits of the Group as at 30 September 2012 are as follows:-

	As at 30/09/2012 RM'000	As at 31/12/2011 RM'000
Realised	(78,200)	(92,545)
Unrealised	4,856	10,151
Total	<u>(73,344)</u>	<u>(82,394)</u>

16. Authorization for issue

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the directors on 28 November 2012.

ON BEHALF OF THE BOARD

**TEOH SENG KIAN
Managing Director
Selangor Darul Ehsan
28 November 2012**